

Message Text

UNCLASSIFIED

PAGE 01 STATE 274482

20

ORIGIN EB-07

INFO OCT-01 ARA-10 EUR-12 ISO-00 OPIC-06 GSA-02 OES-05

INT-05 PA-02 PRS-01 USIA-15 COME-00 TRSE-00 CIAE-00

INR-07 NSAE-00 RSC-01 /074 R

DRAFTED BY EB/IFD/OIA:DHSTEBBING

APPROVED BY EB/IFD/OIA:CNELLIS

ARA/CAR:JRBURKE

EUR/WE:EJBEIGEL (INFO)

OPIC/D:RMPOATS

----- 062338

R 132322Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMCONSUL PARAMARIBO

AMEMBASSY PORT AU PRINCE

AMEMBASSY SANTO DOMINGO

AMEMBASSY PARIS

UNCLAS STATE 274482

E.O. 11652: N/A

TAGS: EMIN, EINV

SUBJECT: ARTICLE ON PRODUCING ALUMINA FROM NONBAUXITE ORE

1. WALL STREET JOURNAL CARRIED FOLLOWING ARTICLE TITLED
"ALCAN, PECHINEY PLAN NONBAUXITE ALUMINA FACILITY" IN
DECEMBER 12 ISSUE.

2. BEGIN TEXT: ALCAN ALUMINUM LTD. OF CANADA AND PECHINEY
UGINE KUHLMANN OF FRANCE SAID THEY HAVE AGREED TO WORK
TOGETHER TO DEVELOP A NEW PROCESS FOR PRODUCING ALUMINA
FROM ABUNDANT NONBAUXITE ORES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 274482

3. THE COMPANIES SAID THEY WILL BEGIN CONSTRUCTION EARLY

NEXT YEAR OF A PILOT PLANT TO PRODUCE 22 TONS OF ALUMINA A DAY, USING A SO-CALLED H-PLUS PROCESS DEVELOPED BY PECHINEY. THEY ESTIMATED CAPITAL COSTS, PLUS OPERATING EXPENSES UNTIL 1979, OR THE END OF THE TEST PROGRAM, AT ABOUT DOLS 25 MILLION. THE COMPANIES SAID THEY WILL SHARE EXPENSES EQUALLY, INCLUDING DOLS 10 MILLION ALREADY SPENT BY PECHINEY.

4. ALTHOUGH ALUMINA, THE BASIC FEEDSTOCK FOR SMELTING ALUMINUM METAL, CAN BE FOUND IN NUMEROUS ORES, IT TRADITIONALLY HAS BEEN EXTRACTED FROM BAUXITE. IN RECENT MONTHS, HOWEVER, SEVERAL BAUXITE-PRODUCING COUNTRIES HAVE BEEN RAISING TAXES AND ANNOUNCING PLANS TO BUILD THEIR OWN METAL SMELTERS, AND ALUMINUM PRODUCERS HAVE STEPPED UP EFFORTS TO DECREASE THEIR RELIANCE ON BAUXITE. MAJOR BAUXITE-PRODUCING COUNTRIES INCLUDE JAMAICA, AUSTRALIA, SURINAM AND GUYANA.

5. IN ANNOUNCING DETAILS FOR THE NEW PILOT PLANT, NEAR MARSEILLES, PECHINEY EXECUTIVES DENIED THAT THE POLITICAL CLIMATE IN THE BAUXITE-PRODUCING COUNTRIES AFFECTED THEIR DECISION TO MOVE AHEAD WITH THE NEW PLANT. THE COMPANY HAS BEEN OPERATING A LABORATORY-TYPE ONE-TON-A-DAY H-PLUS PLANT SINCE 1971. IN FEBRUARY, IT SAID IT WAS PLANNING A LARGER PLANT, BUT DETAILS WEREN'T GIVEN.

6. ALUMINUM PRODUCERS LONG HAVE KNOWN THAT ALUMINA COULD BE EXTRACTED FROM NONBAUXITE ORES, BUT TO DATE HAVE HAD TROUBLE FINDING AN ECONOMICALLY VIABLE PROCESS FOR DOING SO. THE NEW PECHINEY PROCESS WILL USE SULPHURIC AND HYDROCHLORIC ACIDS TO PRODUCE ALUMINA FROM CLAYS AND SHALES.

7. ALTHOUGH PECHINEY EXECUTIVES ACKNOWLEDGE THAT THE H-PLUS PROCESS PROBABLY WILL BE MORE EXPENSIVE TO OPERATE THAN THE CONVENTIONAL BAUXITE PROCESS, THEY SAID THEY EXPECT IT TO BE ECONOMICALLY COMPETITIVE. THE ORES TO BE USED, THEY SAID, ARE MORE ABUNDANT AND MORE ACCESSIBLE THAN BAUXITE. THE SAVINGS ON TRANSPORTATION COSTS, COMBINED WITH THE POSSIBILITY OF FURTHER JUMPS IN BAUXITE

UNCLASSIFIED

PAGE 03 STATE 274482

PRICES, COULD MORE THAN OFFSET THE HIGHER OPERATING EXPENSES. END TEXT. KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, INDUSTRIAL PRODUCTION, ALUMINUM, BAUXITE
Control Number: n/a
Copy: SINGLE
Draft Date: 13 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE274482
Document Source: CORE
Document Unique ID: 00
Drafter: DHSTEBBING
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740363-0895
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741235/aaaabdoyletel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 30 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 SEP 2002 by ReddocGW>; APPROVED <16 JAN 2003 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARTICLE ON PRODUCING ALUMINA FROM NONBAUXITE ORE
TAGS: EMIN, EINV
To: GEORGETOWN MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005